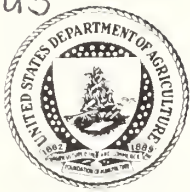


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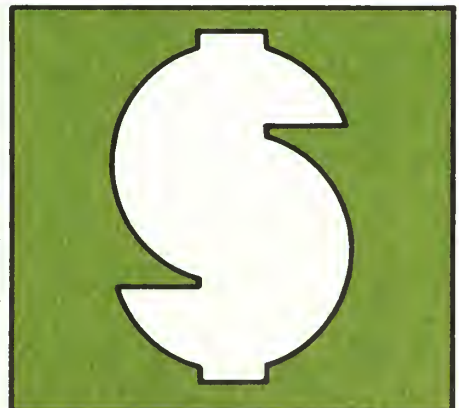
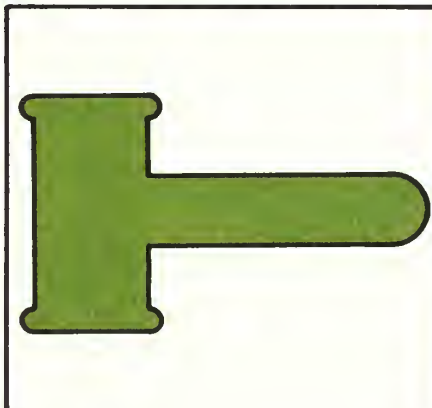
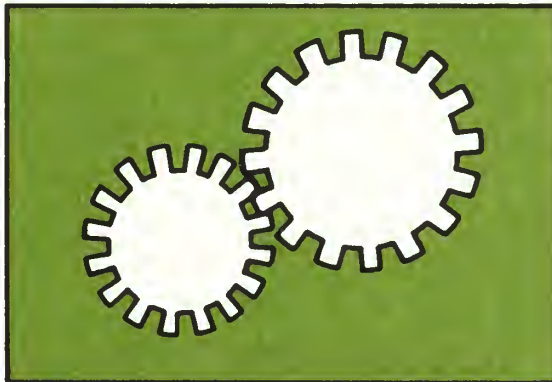
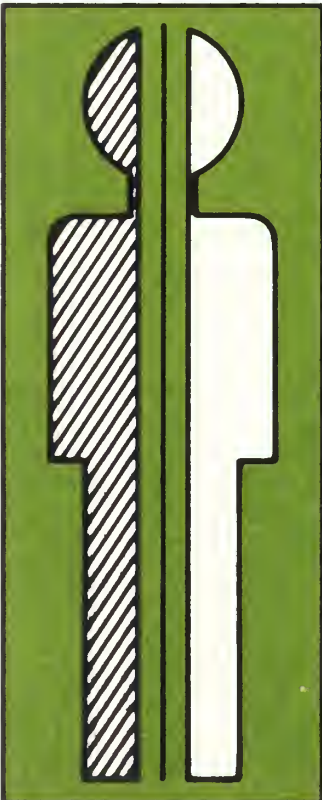
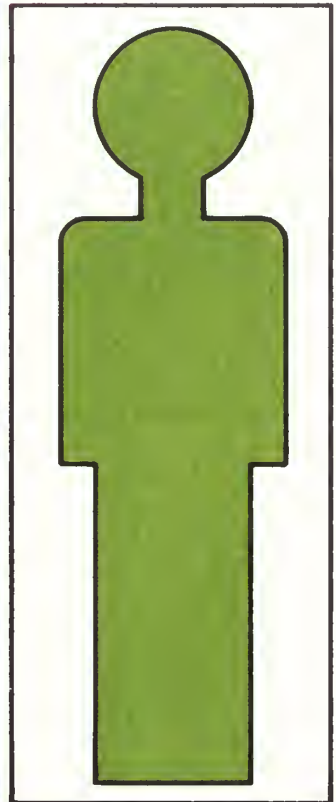
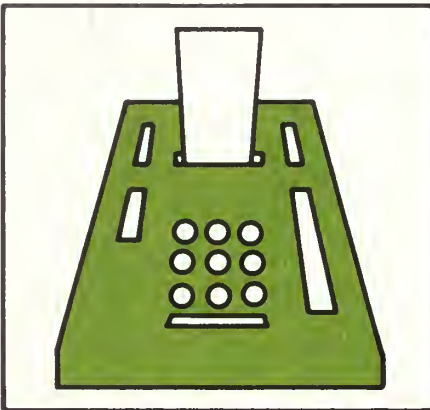
Annual Report of the Assistant Secretary for Administration

United States
Department
of Agriculture
Fiscal Year 1975

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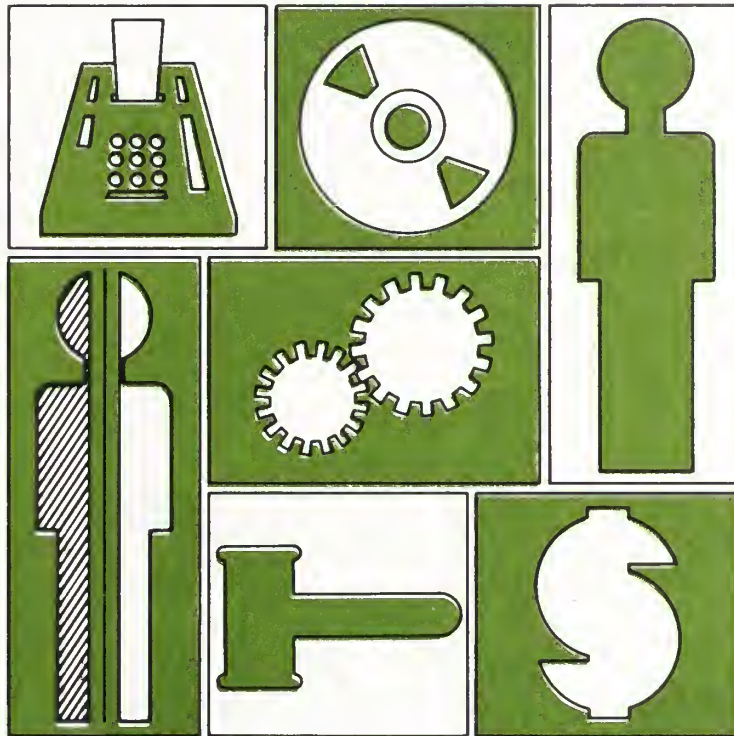


USDA's Administration Building, East Wing.



**Annual Report
of the
Assistant Secretary
for Administration**

United States
Department
of Agriculture
Fiscal Year 1975





Secretary Butz was the honored guest at the recent Administrative Management Conference.



DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D. C. 20250

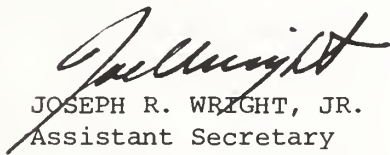
December 31, 1975

TO: The Secretary

I am pleased to transmit to you the first Annual Report of the Assistant Secretary for Administration describing the past achievements and future initiatives of the administrative staff offices. It covers significant achievements since FY 1974 (the year following your appointment as Secretary) up to the present time. Subsequent reports will be on an annual basis and will only cover activities of the preceding fiscal year.

The problems encountered, the changes and progress made, and the future plans for carrying out our varied and wide-ranging responsibilities are outlined for each staff office in this report. Also included is a special section describing the overall integration of our management efforts, i.e., the improved management system in which all Assistant Secretaries and Agency Heads have participated.

I believe these have been years of substantial achievements for the administrative staff offices. Not only are they more efficient, providing improved services at lower costs, but they have also noticeably upgraded their capability to support USDA policy officials in their management decisions. This has required hard work and dedication which I hope is reflected properly in this report.


JOSEPH R. WRIGHT, JR.
Assistant Secretary
for Administration

Attachment

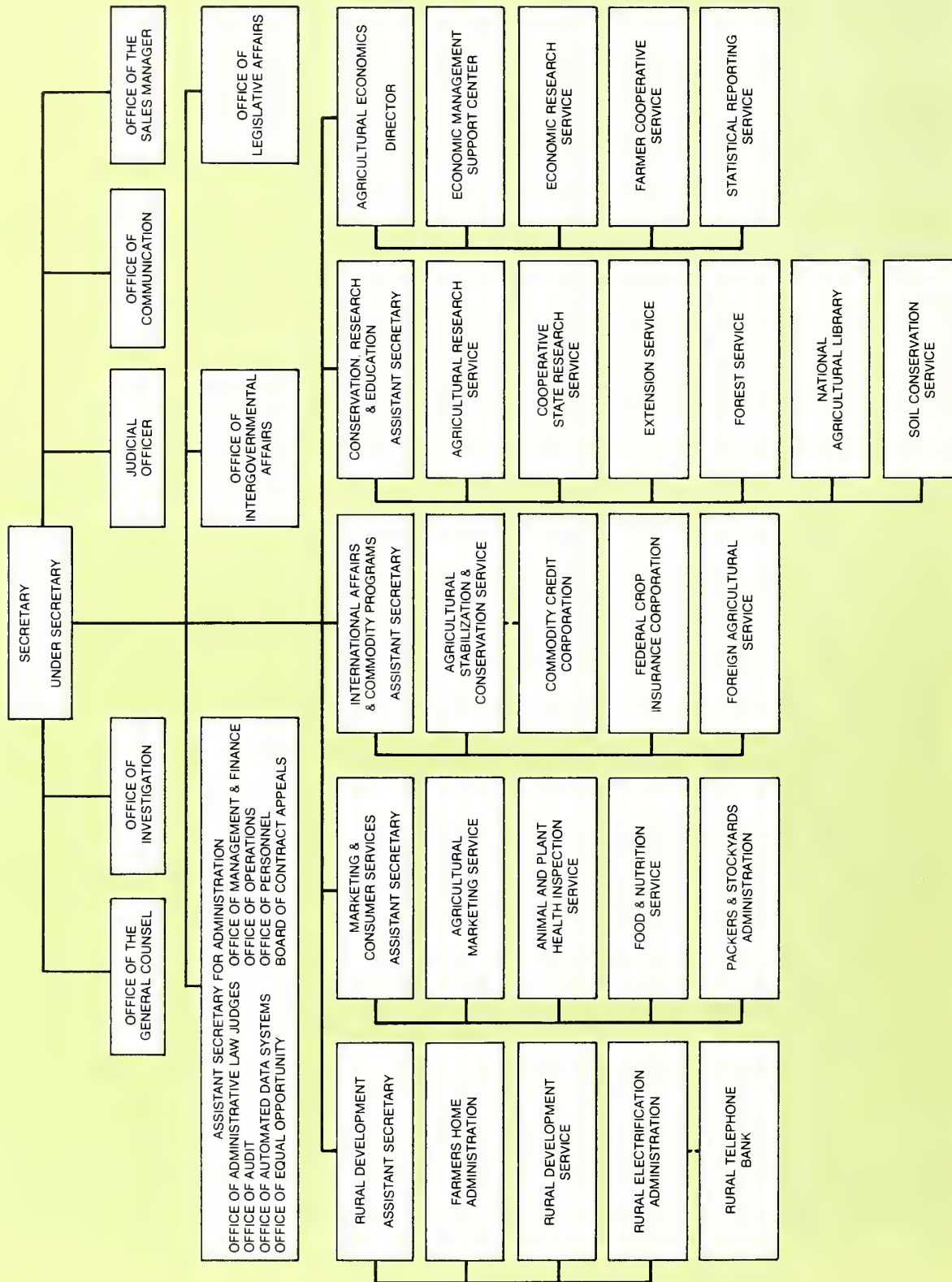


President Ford, Secretary Butz, and some top USDA policy officials.

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U. S. DEPARTMENT OF AGRICULTURE



Introduction

The United States Department of Agriculture is one of the largest, most complex departments in Washington, D. C. to manage. It includes nineteen program agencies (from Forest Service to Farmers Home Administration), operating over 350 major diverse programs (from food stamps to soil conservation), through 15,000 locations with 115,000 employees and a budget in excess of \$15 billion. It is larger than IBM in dollars and Xerox in employees. An organization chart of the Department is shown to the left.

This first Annual Report of the Assistant Secretary for Administration and his staff offices responsible for planning and coordinating the management/administrative functions of the Department describes the significant accomplishments during 1974-75 and the major goals for 1976 by these staff offices under the overall leadership of Secretary Earl L. Butz in (1) developing and operating an improved management system and (2) increasing efficiency of central services to the top of federal performance in almost every category!

* * * * *

To begin -- these accomplishments were made because of strong internal guidance and external pressures for "improved management" of Federal programs as the question became more frequently asked: "Are we getting a dollar's worth of government service for every tax dollar?" Some programs appeared to grow too

rapidly; others seemed misdirected and many were not coordinated to obtain the greatest benefit to the recipients.

Escalating Federal outlays exceeding \$100 billion in 1962, \$200 billion in 1971, \$300 billion in 1974 and perhaps as high as \$400 billion next year have dramatized the need for improved planning, direction and the effective use of available resources.

The Congress and the Executive Branch have responded by enacting the Federal Budget and Impoundment Control Act of 1974. In simplified terms, this Act is a legislative version of budgetary ceilings combined with Management by Objectives which has been recently espoused by the Executive Branch with some success.

Although the USDA budget has been relatively steady until this year, the shift in departmental resources from the traditional farm group to new clientele such as welfare recipients, nonfarm rural residents and consumers has been dramatic. This has made it increasingly difficult to manage the Department and, as a result, plans prepared in recent years have often been off target, management and administrative support have been focused towards the traditional programs, and the organizational alignment of program agencies has made it difficult to adjust to the changing resource emphasis.

Most top executives in the Department were acutely aware of the need

for improved direction and coordination, so that USDA could effectively and timely respond to the changes that were taking place and begin to "upgrade" the operations to fully justify those "tax dollars" spent.

The staff offices in the Office of the Secretary were asked to respond quickly, since they are the only focal point in the Department to oversee agency direction and activities in order to accomplish White House, Secretarial, and Congressional goals. These offices provide agencies with an overall planning frame, with advice and guidance on the management of fiscal resources, with efficient central services in

support of program delivery, and with an evaluation of the effectiveness of program delivery systems through program reviews, audits and studies.

However, the staff offices were not organized or oriented to properly handle this increased demand, when it became critical three years ago -- and the results were becoming apparent both within and outside the Department. A special effort had to be made.

This is a report of that effort -- the results achieved -- the new leadership -- the open and participatory philosophy -- and of the people who made it all possible.



The Assistant Secretary for Administration, Staff Office Directors and key personnel at a bi-weekly meeting.

PART I

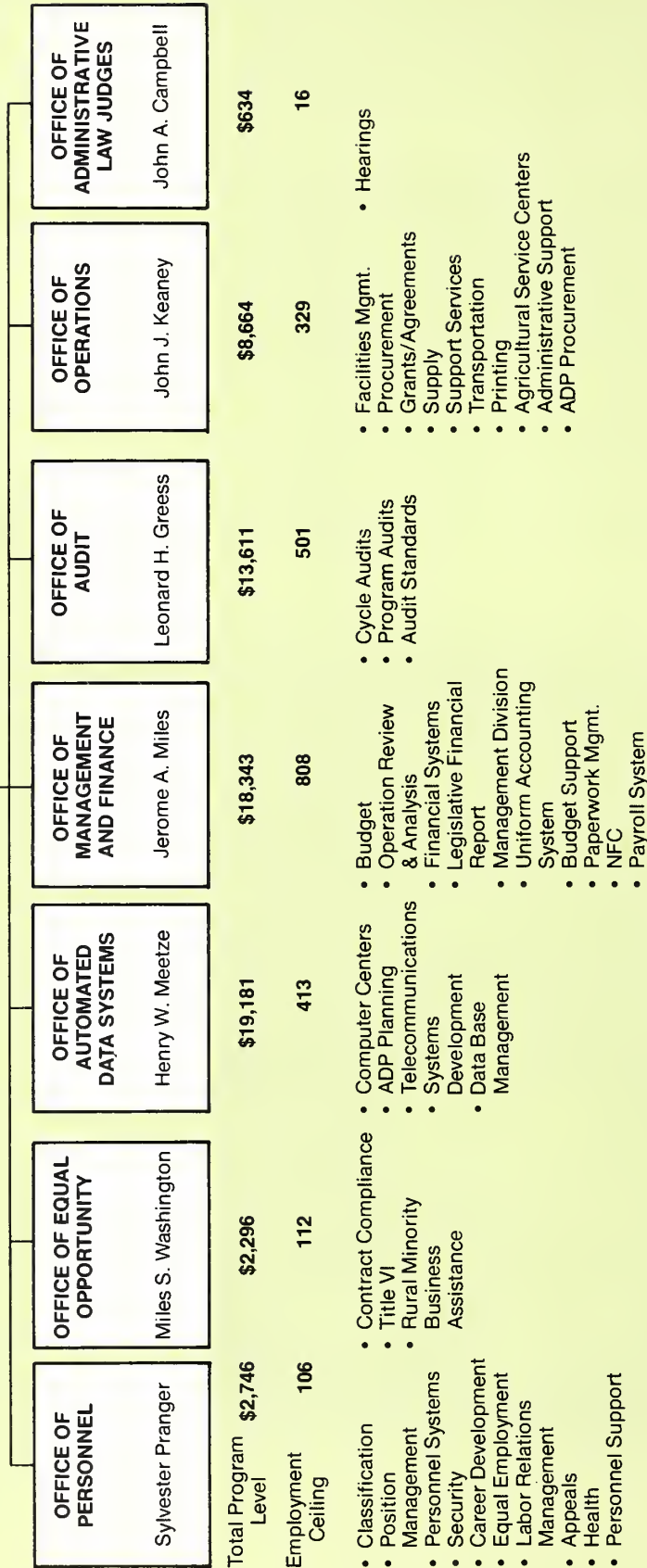
The People and the Dollars Spent In Departmental Administration

U. S. DEPARTMENT OF AGRICULTURE ADMINISTRATION—FY 75

Total Personnel 2,285

'75 Actual	
Appropriated Funds	\$21,712
Operating Plans Working Capital Fund	41,801
Reimbursements and Others	1,962
Total Program Level	65,475

**ASSISTANT
SECRETARY
FOR
ADMINISTRATION**
Joseph R. Wright, Jr.
J. P. Bolduc



The Offices of Audit and Investigation report directly to the Secretary for purposes of planning and submission of reports and to the Assistant Secretary for Administration for day to day control and directions.

The People and the Dollars Spent in Departmental Administration

In 1971, the administrative staff offices were operating largely as they had during the 50's and 60's with some additions (the National Finance Center and the Office of Information Systems) and some deletions (the Office of Communication). They were not effectively operating as a team with each other -- and with the program agencies. Central services were expanding rapidly without the proper gain in efficiencies. Some overlapping and confusion existed which further reduced effectiveness. Changes were needed and were made.

The Staff Offices Have Been Substantially Reorganized to Adjust to USDA's Changing Environment

In response to this need, several reorganizations and initiatives were undertaken resulting in the structure shown on the left. Major changes since 1973 include:

- . Long- and short-range planning, budget analysis and preparation, operations analysis, program evaluation, management analysis, management by objectives and special program study functions were consolidated in the new Office of Management and Finance that now is responsible for all central planning, direction and coordination in the Department.

These had previously been divided among the Offices of Budget and Finance, Information Systems, Management Services, and Planning and Evaluation.

The National Finance Center is

part of the Office of Management and Finance and was put under very tight cost and planning controls as it became one of the most efficient processing centers in the Federal Government continuing along the tough road of developing the first Departmental unified accounting system.

- . Personnel management activities were consolidated in the Office of Personnel. These had previously been divided among the Offices of Personnel, Management Services and Equal Opportunity.
- . Facility services were consolidated in the Office of Operations. These had previously been divided among the Offices of Operations, Management Services and Information Systems. Also consolidated in the Office of Operations was a departmentwide central supply system and responsibility for co-locating over 9,000 field offices.
- . Automatic data processing activities were centralized in the Office of Automated Data Systems in order to effectively plan and coordinate departmental data processing services for the first time.
- . The Office of Audit was separated from the Office of Inspector General in order to closely integrate audit, budget, operations analysis and data processing activities and upgrade both our audit services

and our budget and management information process. This also provided the Office of Investigation, the other half of the Office of Inspector General, with needed independence, specialized expertise, and identity within the law enforcement community.

- . Activities of the former Office of Management Services which provided overall administrative services to the smaller program agencies and staff offices were, in most cases, returned to the program agencies and staff offices to reduce overlapping and give program agency heads responsibility for their own administrative services.

These organizational changes and shifts in responsibilities were made only after careful planning and analysis. Moreover, each staff office was placed on strict objectives planning and control procedures to shorten the time required to make improvements and take advantage of the reorganizations.

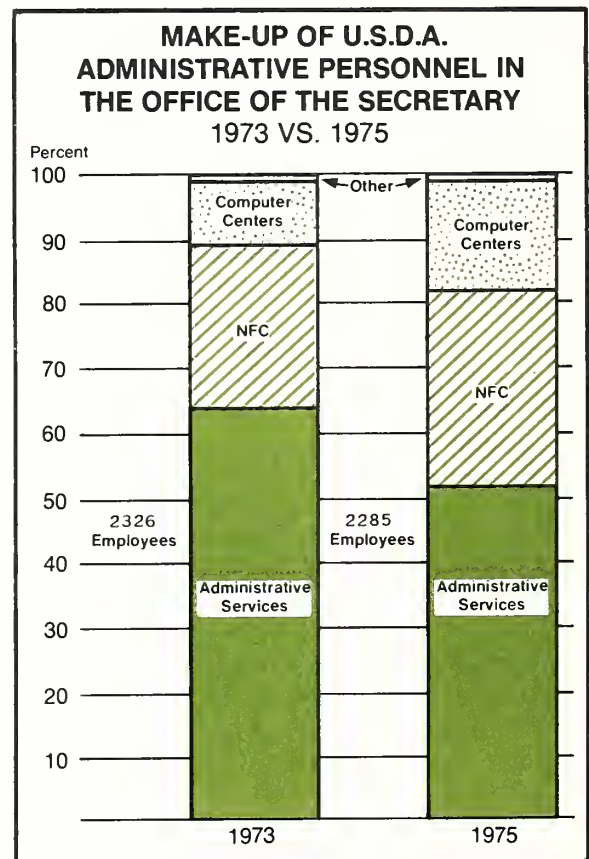
The impact has already been substantial in terms of increased effectiveness in dealing with program agencies and efficiency of centralized services. This impact is described for each staff office beginning in Part III of this report, but in general it has propelled USDA into the forefront of Federal management and administrative improvements with:

- . a central, improved management process directed by OMF,
- . a developing unified accounting system under NFC,
- . an efficient, centralized computer system under OADS,
- . a developing field co-location program directed by OO,

- . an increasingly automated audit program directed by OA, and
- . one of government's most effective central personnel systems directed by OP.

Personnel Levels Have Remained Constant During This Period of Change and Improvement, if Transfers Are Not Included

The personnel resources required to support the departmental administrative activities during this period of improvement have remained fairly constant at around 2,300 personnel representing 2 percent of total USDA employees. All increases in the "base employment level" have resulted from reorganizations and transfers from program agencies due to consolidating central service units.



Actually, the adjusted ceiling has been reduced by 41 positions during the past two years. The major adjustments in personnel levels for staff offices since FY 1973 include:

Number of Departmental staff employees in FY 1973 1,670

Adjustments for transfers and reorganizations:

- . Transfers from program agencies for consolidation of central services +301
- . Return of Office of Management Services to program agencies and other staff offices -201
- . Transfer of Office of Audit from Office of Inspector General +550
- . Transfer of Board of Contract Appeals +6

Adjusted number of Departmental staff employees in FY 1973 2,326

Number of Departmental staff employees in FY 1975 2,285

- . Reduction in personnel ceiling - 1973 to 1975 -41

It is important to note that the transfers from program agencies for centralized services involve personnel, such as computer technicians, that were, for the most part, in the Department providing these services for individual agencies prior to consolidation. The transfers have changed the mixture of administrative services as shown below. The actual ceiling reduction of 41 positions can be translated into a cost avoidance of between \$700,000 and \$750,000 per year.

Most Increases in Budget Have Been Used to Upgrade the Centralized Services

The dollar resources required to support the administrative staff offices have grown from \$32.2 million in 1973 (actual) to \$65.5 million (actual) in FY 1975. This increase is largely attributed to increased centralized services, Office of Management Services transfers, salary increases and the overall impact of inflation on operations. Below is a table describing these dollar changes.



Mr. Joseph Wright, Assistant Secretary for Administration and his Deputy at the Department's annual Honor Awards Ceremony

Dollars in Millions

Program levels for
Departmental staff
offices in FY 1973 \$32.2

Adjustments for
transfers and re-
organizations:

- . Transfers from
program agencies
for consolidation
of central services +14.1
- . Return of Office of
Management Services
to program agencies
and other staff
offices -2.9
- . Transfer of Office
of Audit from Office
of Inspector General +12.1
- . Transfer of Board
of Contract Appeals +1.18

Adjusted program
levels for Depart-
mental staff offices
in FY 1973 55.68

Expansion of central
service capabilities
and increase in sal-
aries and expenses
for these services +6.5

Adjusted program levels
for Departmental staff
offices in FY 1973

- . Increase in space
rental costs +2.0
- . Initiation of new
personnel programs +.5
- . Increase in salaries
and expenses (other
than for centralized
services) +1.82

Program level for
Departmental staff
offices in FY 1975 \$65.50

These staff offices have not substan-
tially increased their appropriated
funding requirements in order to
develop the improved management sup-
port system. In fact, if central
services are excluded, budget in-
creases have not kept up with
inflation, departmental increases
or total governmental outlays as
shown below.

**INCREASE IN DOLLAR OUTLAYS FOR
U. S. GOVERNMENT, DEPARTMENT OF
AGRICULTURE, AND ADMINISTRATIVE
STAFF OFFICES VS. INFLATION**

INDEX (1973 = 100)

	1973	1974	1975	1976 (Est.)
I. U. S. Government Outlays	100	108	127	142
II. Department of Agriculture Outlays	100	82	110	135
III. U.S.D.A. Administrative Staff Office Outlays	100	103	119	124
IV. U. S. Inflation Rate	100	119	129	142

The \$14.1 million increase for cen-
tralized services consisted of the
transfer of computer centers and
voucher and expense statement
accounting from agencies to the NFC.
After the transfer, these services
continued to grow for an increased
cost of \$6.5 million which was sub-
stantially less than it would have
been if they remained in the agen-
cies. In addition, four of the five
computer centers have considerably
more computing power today in response
to agency needs than they did in
FY 1973. Other examples of the im-
pact of centralized services include:

- . Reducing agency projected cost
for 1975 for Departmental data
processing services from \$86.7

million (including hardware operations and software/programming activities) to \$38.1 million which was the 1975 actual cost under the centralized concept. This projected \$86.7 million was based on agency plans made in 1971 and is probably conservative.

- . Reducing the cost of processing vouchers. Prior to centralization, vouchers were being processed at 250 separate locations in the Department at an average cost of \$5.28 per voucher with costs running as high as \$12.23 at the smallest location. This activity is still in the process of centralization, but the average cost per voucher under the combined concept is estimated at \$2.65 resulting in a substantial savings to the Department.

- . Combining 16 financial accounting systems within the Department into one uniform/centralized system. Only 5 of these 16 accounting systems had been approved by the Comptroller General. The remaining 11 had not. If each agency were to define and implement its own system, there would obviously be significant costs to the government, substantial duplication of effort and incompatible financial data from the Department.

* * * * *

In summary, the administrative staff offices have over the past two years implemented an improved management and administrative system, handled a much larger workload, provided better and more responsive services and kept costs to do business at the minimum level necessary to do the job.



Senator Gale W. McGee, Chairman, Subcommittee on Agriculture, Environmental and Consumer Protection, Committee on Appropriations, with Joseph Wright.



Congressman Jamie L. Whitten, Chairman, Subcommittee on Agriculture, Environmental and Consumer Protection, Committee on Appropriations, with Joseph Wright and J. Paul Bolduc.

PART II

**The Major Objective—
Developing a System
for Improved Support
for Management
Decisions**

The Major Objective — Developing a System for Improved Support of Management Decisions

Since its establishment, the U.S. Department of Agriculture has been a dynamic, changing institution. Responding to the needs of the American people, the USDA has steadily expanded its initial role of agricultural research, so that today it is involved in every aspect of the production of food and fiber in America.

While the Department reorganized throughout the years to adjust to this expanding role, changes were gradual and agencies were easily able to reorient themselves and deliver their program services. In addition, the Department's constituency remained fairly constant since farmers and rural Americans were the primary concern of USDA -- then changes began to occur.

There Has Been a Changing Program Direction in USDA Resulting in Pressures on Administrative Staff Offices to Upgrade Their Support for Management Decisions

Within the last several years, changes in the traditional USDA role have accelerated. Pressured by increasing demands from legislative, judicial and private sector groups, USDA has greatly expanded its role in non-traditional farm areas. In the past six years, funding for agricultural programs has been reduced 88 percent while food assistance and welfare programs increased over 462 percent to become over two-thirds of the total departmental budget as shown in a chart on the opposite page. Departmental loan making shifted from agriculture to community development and housing and employment continued to be con-

centrated in the natural resource and regulatory/feduciary programs as shown to the right.

And, USDA's constituency changed. The Department was not only concerned with farmers, but was becoming increasingly involved with consumers, nonfarm rural residents, environmentalists, etc., as constituents. From a budget or employment point of view, USDA could be viewed as a welfare or natural resource Department.

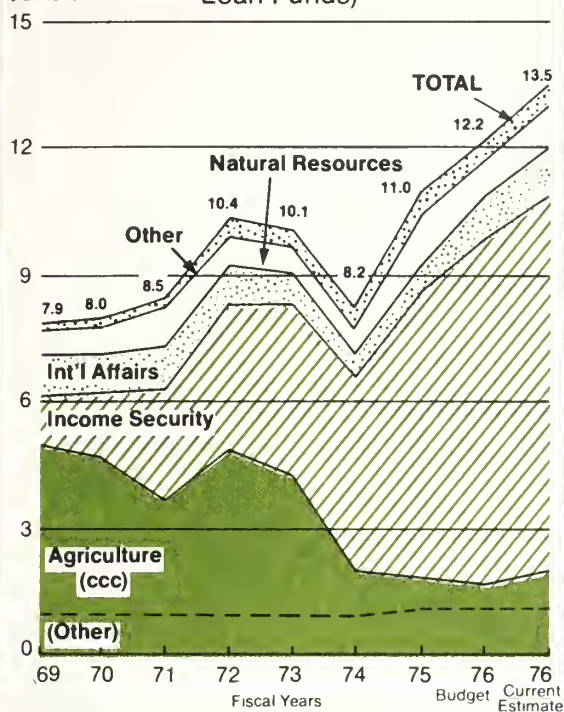
The Department has not always kept up with this rapid shift in our responsibilities. Minor activities ballooned overnight into major ones, demanding more resources and administrative support, while other missions, once major, started to contract and the support they were receiving became burdensome creating imbalances between agencies. USDA sometimes had difficulty and was slow in reacting properly to outside pressures such as:

- USDA's emerging role as a major force in food and nutrition social services.
- The implications of new foreign policy directions for international trade and finance.
- The policy implications and program implementation of the environmental and conservation movements.
- The change in rural populations and the need for nonfarm rural development strategies.
- The shift in population to the

USDA OUTLAYS

1969-1976 (Excluding Revolving Loan Funds)

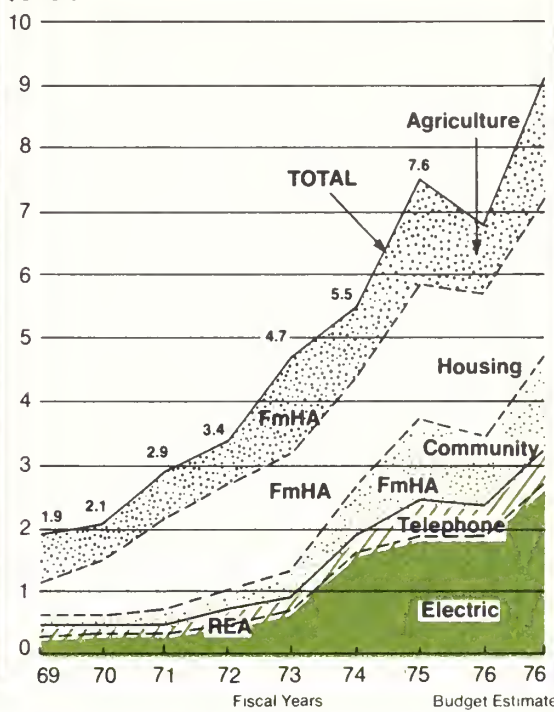
\$ Billions



USDA LOAN LEVELS

1969-1976

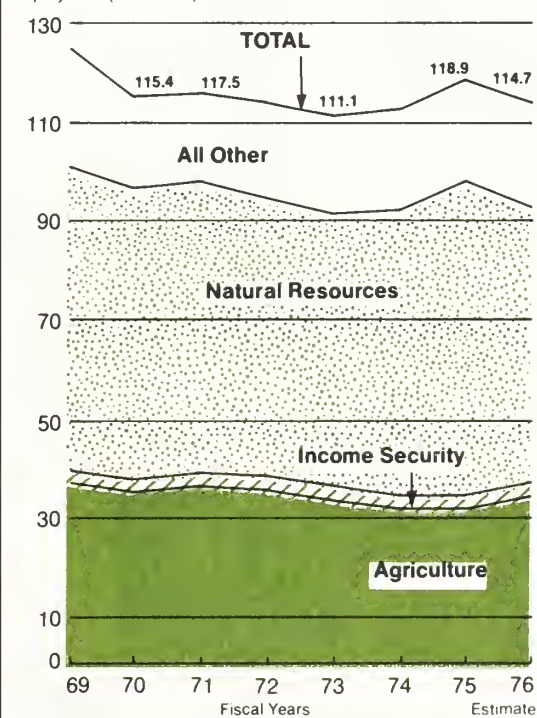
\$ Billions



USDA TOTAL EMPLOYMENT

1969-1976

Employment (thousands)



cities and suburbs and the corresponding rise in urban-suburban political interest in USDA programs resulting in new constituencies,

And the ability to react has been complicated by the internal structure, as illustrated below. The 11 major Departmental missions, divided among 6 key executives and 19 program agencies, created the potential for inefficiency, overlap of functions, and fragmentation of efforts, all of which made planning, direction, and coordination more difficult.

To top it all off, the administrative staff offices sometimes

added to, rather than alleviated, the problem. Three years ago, when Secretary Butz first took office staff offices had little understanding of and appreciation for the demanding task that was being placed on the Office of the Secretary. Each office operated independently with little, if any, communication and coordination with other staff offices. Staff analyses, studies and activities often overlapped. Planning across staff office lines was nonexistent. Investigative and audit results seldom were fed into the departmental decision-making process. The result of these weaknesses was an outmoded inefficient system for

AGENCY PARTICIPATION IN USDA PROGRAM MISSIONS																						
DEPARTMENT ORGANIZATION DEPARTMENT MISSIONS	INTERNATIONAL AFFAIRS AND COMMODITY PROGRAMS			MARKETING AND CONSUMER SERVICES				CONSERVATION, RESEARCH, AND EDUCATION						RURAL DEVELOPMENT			AGRICULTURAL ECONOMICS			DEPARTMENTAL MANAGEMENT		
	ASCS	FAS	FCIC	AMS	PSA	APHIS	FNS	FS	SCS	ARS	CSRS	ES	NAL	FHA	REA	RDS	ERS	SRS	FCS	SEC	ADMIN	
FARM INCOME																						
AGRICULTURAL PRODUCTION EFFICIENCY																						
AGRICULTURAL MARKETING AND DISTRIBUTION																						
AGRICULTURAL EXPORTS																						
RURAL DEVELOPMENT																						
ENVIRONMENTAL IMPROVEMENT AND RESOURCE DEVELOPMENT AND USE																						
CONSUMER SERVICES AND HUMAN RESOURCE DEVELOPMENT																						
SUPPORT FOR NON-FEDERAL GOVERNMENTS AND INSTITUTIONS																						
FOOD AND NUTRITION																						
FOREIGN AGRICULTURAL DEVELOPMENT																						
GENERAL ADMINISTRATION AND PROGRAM SUPPORT																						

planning, communicating and evaluating departmental programs between the Office of the Secretary and the program agencies with rapidly increasing and unnecessary workload and paperwork.

With these problems identified, the staff offices set out together to correct the problems and develop a highly professional management support vehicle while, at the same time, improve the centralized services at reduced costs. This had to be accomplished without creating unnecessary "administrative systems" and interfering with agency program delivery. So, in 1973, a two-phased approach was laid out.

First, each staff office established and pursued specific hard-to-achieve objectives. This increased their functional skills and substantially improved their performance.

Second, a new management concept for the department was established and geared toward the full support of the Secretary's key goals and objectives. Today, staff resources are concentrated to give more management direction to activities

in the department and staff offices work together as a cohesive group to produce results far in excess of what occurred when each office functioned independently. Another key factor in this effort is the staff's close liaison with the program agencies, so that our objectives are accomplished as a "team" rather than a "headquarters edict" exercise.

The specific steps taken to upgrade USDA's central management and administrative system are described in the following paragraphs.

The Staff Offices Were Reorganized as a First Step in Meeting Increased Administrative Requirements

In 1972-1973, reviews were conducted of the entire USDA planning, budgeting, decision and monitoring process. It was apparent that the Department did not have an effective framework for integrating the functions of the staff offices into a strong supportive effort for decision-making. So in 1973 and 1974, as described in the previous section, the staff offices were completely reorganized and began working together to support USDA management. Overlapping and confusion were reduced which, in turn, reduced workload and paperwork for the program agencies. Centralized services were expanded rapidly under rigid cost controls to support the increased demand for improved information at reduced costs. And quarterly reviews are held with each agency head to review the staff office's performance.

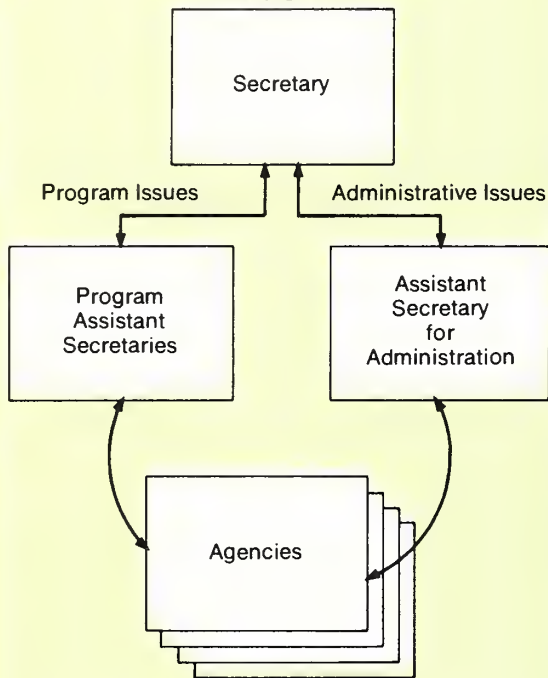
An Improved Planning System Was Implemented to Upgrade the Budget and Management Decision Process

Within the new organizational framework, the planning process was redesigned to provide systematic and timely means of identifying key issues needing policy attention and to receive Secretarial direction for guiding program agencies. The steps taken have become part of the annual planning/budgeting process:

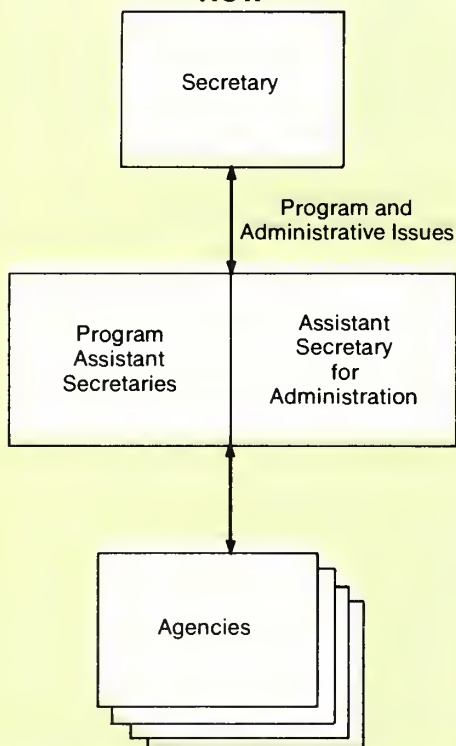
- . In May, the Assistant Secretary for Administration meets with program Assistant Secretaries and holds preliminary budget hearings with all the agencies to identify problems, prepare priorities and obtain guidance before any program plans are prepared.

INTEGRATION OF PROGRAM AND ADMINISTRATIVE ISSUES

BEFORE



NOW



- In June, the program Assistant Secretaries, supported by staff analysts, respond to the issues that were raised in these hearings and provide policy recommendations in the annual policy planning meeting (held at Camp David this past year).
- The annual policy planning meeting results in specific long- and short-range guidance from the Secretary on key issues and the Office of Management and Finance prepares specific program and budget guidance for the agencies in June.
- Between June and August, staff analysts from the Office of the Secretary maintain close contact with the agencies and the program Assistant Secretaries during their budget preparation to provide additional guidance, properly evaluate priority programs and insure that budget proposals follow approved plans. All activities of the Department are divided into specific programs/projects including objectives, schedules and responsibilities. Specific programs are identified for special study, tracking and option analysis.
- In August, agencies prepare zero-based budgets with options for coordinated staff analysis by the Office of Management and Finance and the Office of Audit. All legislation is reviewed and Secretarial, Departmental and agency objectives are identified at this time for review and tracking.
- The program Assistant Secretaries provide recommendations on their priority programs after each Agency Head has presented their budget requests

personally in a hearing before the Secretary in September.

- . The Secretary makes all final budget decisions and the Departmental proposal is sent to OMB in September. The tracking of current year objectives is already underway by this time and first status sessions are completed.
- . The program Assistant Secretaries meet with the Secretary in the fall to review and update their June policy and planning guidance.

The major changes in the process include the addition of a specific discipline to ensure that all programs are tied into overall plans and policy guidance through the entire budget development exercise and the much closer working relationships between staff and program agencies. Analysts are targeted toward problem areas and treated as previous commodities that are not to be wasted -- or overused.

Improved Controls Were Instituted to Monitor the Implementation of Secretarial Guidance and Approved Programs

New systems have been developed for tracking program objectives and focusing policy attention on high priority and problem areas. For example:

- . Each year, program agencies identify as part of the planning and budget exercise around 350 high priority program objectives for analysis, tracking and reporting of achievements and problems.
- . From these, with appropriate additions, the Office of the

Secretary selects 15 to 20 "Secretarial Objectives" for continuous policy level monitoring and review and another 40 to 50 "Departmental Objectives" for performance monitoring. The remaining 250-300 are monitored by the program agencies themselves.

- . In addition, 13 to 15 program areas are selected every year for in-depth study providing options for future action by the Secretary who personally selects these areas.
- . Monthly Secretarial Issues meetings are held (as needed) by the Secretary and Assistant Secretaries to review the status of Secretarial and Departmental Objectives, budgets, and legislative initiatives.
- . A weekly Executive Summary Report of significant developments in agriculture of concern to top policy officials is distributed, concentrating on events affecting Secretarial Objectives.

Communication Between Staff Offices and Program Agencies Has Been Substantially Expanded

The Management Council was formed (consisting of key management executives in each agency and staff office) which acts as a sounding board for upgrading the USDA management process by providing agency inputs in identifying needs, defining changes, and monitoring progress. It also provides a key forum for recommending certain actions impacting all agencies in areas such as reducing overhead, employee training, special cost assessments. A biweekly Management Newsletter is distributed

to key officials in each staff office and program agency.

In addition, the Assistant Secretary for Administration meets with all Agency Heads quarterly to seek their input, identify mutual problems needing attention and obtain from them suggestions which would result in improving the efficiency and effectiveness of administrative/management services and direction.

And a major factor in the process is that the Assistant Secretary for Administration attempts to involve the program Assistant Secretaries in all decisions affecting their agencies or having Departmentwide impact. This also means that a special effort has been made to integrate program decisions with their relative administrative impact. The importance of this improvement is illustrated to the left.

The result of the former mode of operation was that program decisions were often made without sufficient consideration given to the impact on manpower and dollar resources compared to expected achievements. Conversely, administrative decisions were often made without proper review of the resultant effect on programs. Recent actions described in this report have materially improved the interrelation of program and administrative operations -- and the management of the Department.

Staff Analytical Capabilities Have Been Upgraded With Improved Coordination to Reduce Duplication and Increased Program Evaluation Capabilities

The Operations Review and Analysis Staff was established in the Office of Management and Finance to work

closely with program Assistant Secretaries and Agency Heads in order to:

- . Coordinate all Departmental analysis to assure that the necessary issues and studies are fully coordinated, thereby precluding gap and overlap. In addition, this staff directs all planning, budget analysis, management by objectives and program evaluation efforts thereby increasing the effectiveness of each activity.
- . Perform in-depth reviews of USDA programs.
- . Insure that the study results are brought to the attention of policy officials so as to have an impact on the decision-making process.
- . Provide direct staff services to policy level officials.

The Office of Audit was transferred to the Assistant Secretary for Administration and is now placing greater emphasis on data processing techniques, economic analysis, operating studies and budget auditing. The results are now valuable input into the Departmental decision-making process.

Support Services and Information Systems are Also Being Upgraded to Back up the Improved Management Process

To manage an organization as diverse and complex as USDA requires new and innovative support services and improved information collection and analysis. Progress has been made; centralized services continue to be upgraded at lower unit costs and service centers are becoming operational. Continued emphasis

is placed on improved performance in all staff offices.

For example, the departmental unified accounting system which is one of the few of its kind among Federal agencies will be completed in 1977 and will:

- . Replace 16 separate systems,
- . Provide uniform and timely financial information for Departmental management,
- . Save over 20 percent compared to present system -- from an annual cost of \$5.5 million down to \$4 million, and
- . Meet Comptroller General requirements.

The Departmental central computer system should become fully operational in 1978 providing:

- . Four computer centers replacing previously fragmented and dispersed systems,
- . Modern services to all agencies, with
- . Reduced departmental operating costs -- because of centralization, the 1975 computer budget was over 50 percent less than was projected in 1970 at around \$38 million instead of \$86.7 million.

A recent procurement contract for upgrading all four centers was cancelled; however, requests are being prepared to upgrade on a center-by-center basis.

The National Finance Center will, by December 1975, incorporate USDA finance functions -- payroll, travel vouchers, billings and collections,

providing uniform information, and better service at reduced costs.

The Department has begun to make full use of optical scanning techniques for the payroll and other computerized operations.

- . 110,000 Time and Attendance reports now go directly from contact points to the payroll operation, skipping the costly keypunching step.
- . Optical scanning is now used for ordering supplies from GSA saving over \$500,000 annually.

By 1977, about 1,000 one-stop service centers will be established to provide improved service to the public at reduced costs. At present, over 950 centers have been designated in 50 States.

The Department has also initiated an executive development program to assist in providing for adequately trained, experienced and capable managers to meet the challenges of the future.

Taken cumulatively, these actions have created the overall framework for upgrading the administrative support available for managers to make decisions and improve operations.

Staff Offices Plan to Maintain Ambitious Pace of Upgrading Management Support System and Central Services

With the necessary framework in place and major initiatives underway, the staff offices are continuing to work toward full implementation of the improved departmental management support process. Specifically, actions are underway to:

- . Complete the integration of all Departmental analytical staffs.
- . Implement stronger program tracking systems for FY 1976.
- . Assure that the National Finance Center is fully operational, and complete the uniform accounting system by October 1977 with 700 automated audit trails installed.
- . Complete co-location and bring into full operational status 1,000 service centers by 1977.
- . Move ahead with computer centralization by modernizing equipment and extend automation to field locations and service centers. This will begin the transfer of program/management/administrative information on a

timely basis to and from the field, and finally

- . Complete the Executive Development Program and implement the new Employee Appraisal and Merit Promotion Systems.

These steps will result in a truly effective and cost efficient system of planning, analyzing and coordinating all programs with timely communication between the Secretary, agency executives and field locations -- an effort that has been achieved in few government agencies or private organizations.

A significant start has already been made towards this goal as is apparent in the following pages. It is an ambitious and exciting undertaking and all staff offices are dedicated to its achievement.



Mrs. Isla Marsden, Personnel Secretary for the Assistant Secretary for Administration receiving a superior service award from Secretary Butz.

PART III

Major Accomplishments Achieved by Staff Offices

Major Accomplishments Achieved by the Staff Offices

During the last several years, the Administrative Staff Offices have undergone tremendous changes -- roles changed, old functions were transferred and new ones initiated. The Staff Offices responded well to these changes, and satisfied the rapid increase in demand for centralized services. The major achievements and contributions of each Staff Office in improving the efficiency of centralized services and in improving the effectiveness

of all staff functions in support of the agencies are enumerated here. In addition, major problems encountered and significant goals and objectives planned for FY 1976 are addressed.

Today, the Staff Offices are in a better position than ever to provide support for USDA's decision-making process and to satisfy the agencies' service needs.

Office of Automated Data Systems

IBM's 3330 Disk Drives provide immediate access to USDA's program and administrative data.



Office of Automated Data Systems

Major Functions

OADS (and its forerunner, OIS) was organized in 1972 to provide centralized direction and data processing services in response to the independent plans of several agencies to provide for their future ADP needs. Taking advantage of the economies of scale and coordinating agencies' ADP use and resource sharing, OADS offers centralized data processing services in five major computer centers, coordinates large scale ADP development, develops short- and long-range ADP guidance, and provides Departmental ADP direction by developing policies, plans, procedures and standards.

Major Accomplishments in FY 1975

- . Centralized Services -- FY 1975 marked dramatic improvements in the quality and reliability of computer services offered by OADS and a complete turnaround in user confidence. Rate and cost reduction and strong financial control gave a glimpse of the economies and efficiencies possible in centralized services. Especially significant accomplishments which contributed to this change are:
 - .. ADS converted its halting time sharing services into a responsive, usable media for problem solving. Previously,



The Washington Computer Center processed twice as many jobs in FY 1975 -- over 30,000 per month -- and reduced its rates by 41% for the last six months of that fiscal year.

the Washington Computer Center (WCC) accommodated 3,257 sessions per month, requiring a wait of 1 minute, 7 seconds for service. Today this Center processed work for 5,460 time sharing sessions, with a wait of just 17 seconds for the computer to respond to a service request.

.. ADS increased the reliability of all USDA centers from 89.9 percent in FY 1974 to 96.9 percent in FY 1975, providing an additional 100+ hours of processing time a month, and allowing an additional 12,000 to 13,000 jobs per month to be processed in the WCC alone.

.. In FY 1974, ADS processed 626,000 jobs in its centers, in FY 1975 they processed 1,024,000 -- a 64 percent increase.

.. Sophisticated tape and disk management systems were developed in several computer centers which when fully operational will free up scarce disk and tape storage and guard against accidental or deliberate destruction or loss of data.

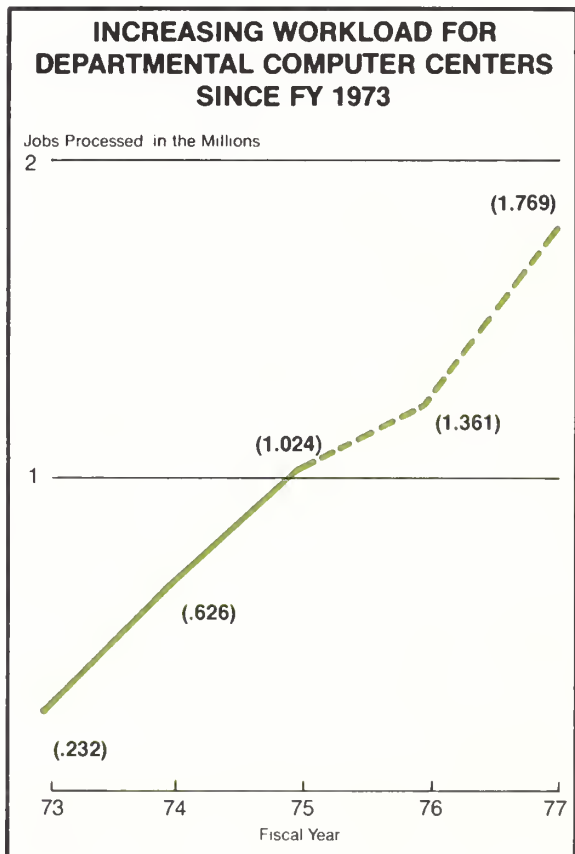
.. ADS reduced its average cost per job from \$25.31 to \$19.11 by carefully tuning USDA's telecommunications network and eliminating the cost of a communication concentrator, transferring workload from Minneapolis Commodity Office to Fort Collins and terminating use of equipment in Minneapolis and instituting a comprehensive, strict zero-based budgeting system. WCC, for example, reduced its cost 15 percent for the first half

of the year and 41 percent for the second half, returning some 2 million dollars to the program agencies.

The New Orleans Computer Center (NOCC) through complete management controls and sophisticated equipment tuning was able to process more jobs than the year before and returned \$2.7 million to its users.

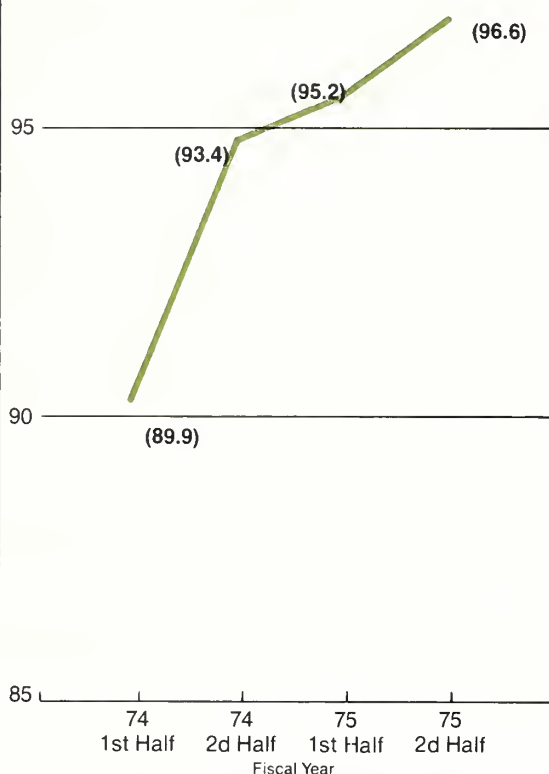
Finally, the Fort Collins Computer Center who started out the fiscal year operating in the red improved its operations and generated enough revenue to operate in the black for the last quarter.

.. Centralized Direction -- ADS revamped and reorganized its staff



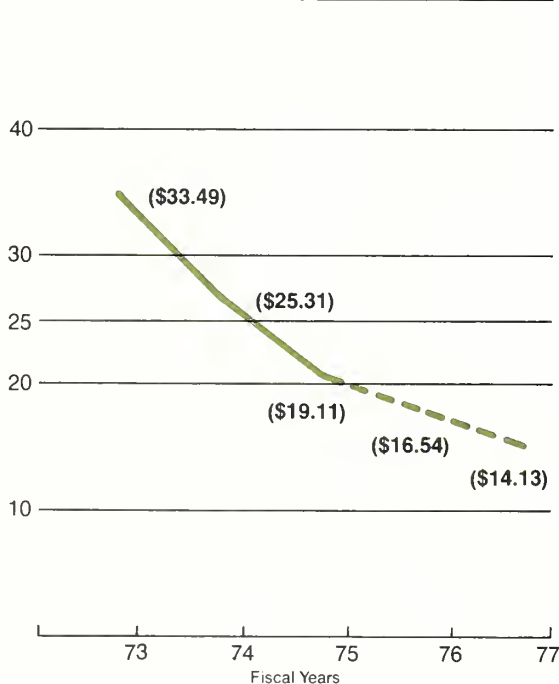
SYSTEM AVAILABILITY IN ADS-MANAGED COMPUTER CENTERS

Availability in %



COST/JOB IN ADS-MANAGED COMPUTER CENTERS

Dollars per job



structure and mission, instituted an MBO system which clearly communicated what was expected of the staff, and how their activities related and contributed to the overall office objectives. Specifically:

- .. ADS developed, systematized and is in the process of implementing a Departmentwide ADP planning cycle. Previously, agencies within the Department and ADS developed their plans independently with no coordination or common purpose. Matching and tailoring ADS' equipment capacity with agencies' requirements would be happenstance without an integrated planning system. ADS' system estimates USDA's long range ADP needs on a yearly basis based on agencies' projected requirements. This data which also satisfies OMB's and GSA's reporting requirements is used to compute future Departmental computer costs, distributing these projected costs to the agencies, and allow them enough time to properly budget for this expense.
- .. ADS recognizing the weaknesses in the Department's previous requirements study for its major ADP procurement, initiated a new requirements study which included a comprehensive economic analysis of alternatives and provided supporting documentation for continuing with a slightly altered version of the procurement. However, before the study was complete, GAO investigations publicized the original procurement's shortcomings and substantial Congressional interest occurred. Congress recently placed limitations on the Working Capital Fund which resulted in USDA canceling the procure-

ment. As a result, ADS' ability to adequately service users of the St. Louis Computer Center, Fort Collins Computer Center, and New Orleans Computer Center in FY 1976 is limited and they will have to devote considerable resources to upgrade equipment on a center-by-center basis.

- .. Along with all these activities, the small staff reviewed agency requests for ADP procurements, initiated a plan to develop a cost effective USDA telecommunications system for USDA's future requirements.

As these achievements were being accomplished, ADS reduced its personnel from 465 to 421 positions and decreased the average grade of its staff from 12.2 to 11.2.

Major Plans for FY 1976

- . Upgrade the computer facilities in New Orleans, Fort Collins, and St. Louis which will increase ADS' capacity by 90 percent and allow them to process significantly more jobs than they can today, will satisfy the Farmers Home Administration, Forest Service and the National Finance Center's projected workload increase.

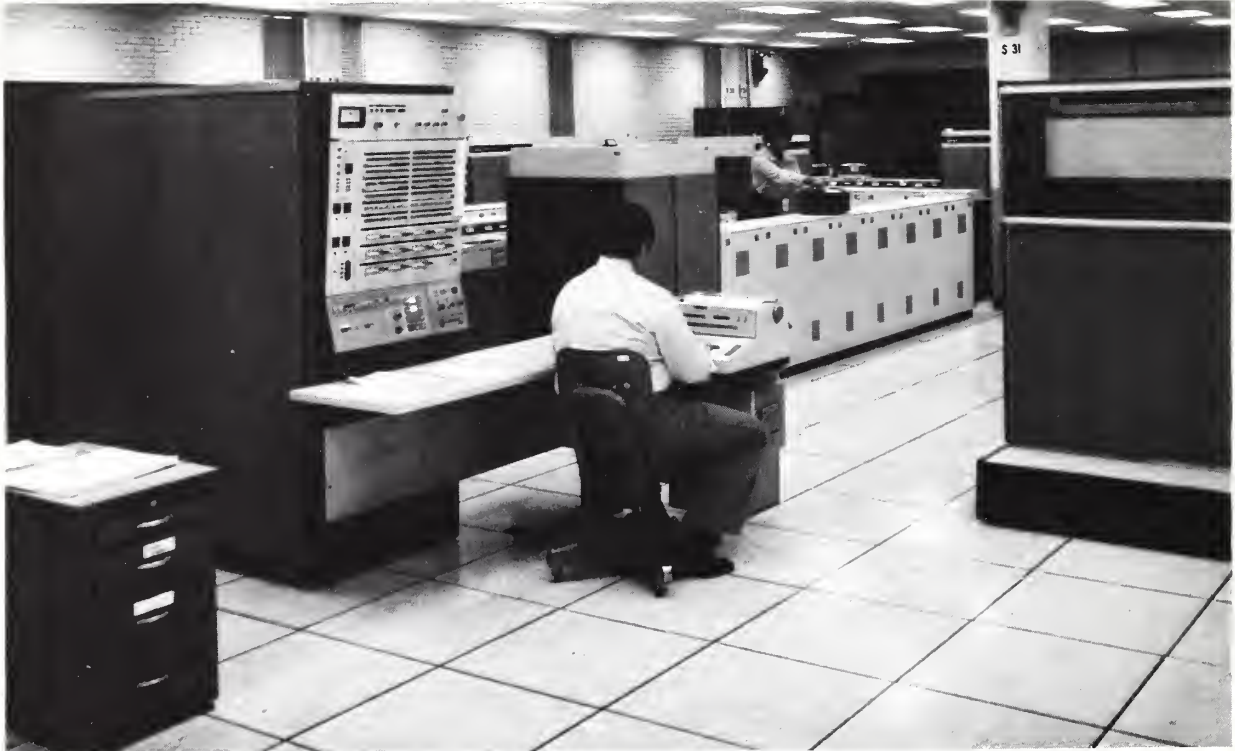


The Fort Collins Computer Center supports Forest Service's and Food and Nutrition Service's data processing needs.

- . Capitalize on and fully coordinate the systematized planning process developed in FY 1975 by designing and publishing a Departmental long-range plan.
- . Establish a Departmentwide ADP training program responsive to user needs to provide overall

better management of the Department's ADP resources.

- . Develop and implement a coordinated ADP field installation plan geared toward providing agency program and management needs in the most efficient manner. Today FmHA and ASCS are sharing 10 terminals on a pilot basis.



NOCC's IBM 360/65 Computer System supports The National Finance Center's central voucher and uniform accounting systems.

Office of Management and Finance

Mr. Jerome Miles, Director of the Office of Management and Finance, and his staff reviewing the budget



Office of Management and Finance

Major Functions

The Office of Management and Finance is responsible for:

- . Preparation, presentation and execution of the budget;
- . Review of agency financial management systems and the operation of accounting systems through the National Finance Center;
- . Review and evaluation of the Department's program operations;
- . Review and improvement of agencies' management systems;
- . Processing legislative and budgetary reports; and,
- . Carrying out the budget and fiscal work of the Offices of the Secretary and General Counsel.

Major Accomplishments in FY 1975

The lifeline of any large organization such as USDA is the management of the monetary resources allocated to that organization. Assuring the integrity of that management and integrating the activities of the new management process, described in Part II of this report, were OMF's overriding concerns during FY 1975. Highlights of OMF's contributions are shown below:

- . Integrated the planning, budgeting and management information system of the Department into an

objectives oriented decision-making process.

- .. Issued instructions to agencies which integrated into a single system, the planning, budgeting, program evaluation, management improvement and operations review systems.
- .. Developed a coordinated approach in support of the Department's overall budget and planning process by integrating audits with other Departmental reviews and evaluations.
- .. Initiated a Secretarial Issues program to focus timely attention and high level policy guidance on key issues during the year.
- .. Provided top level managers with current data on problems and events affecting the Department's programs.
- .. Conducted a series of spring program reviews with agencies, presented the results of these sessions to policy officials, and supplied policy guidance to agencies for the development of their 1977 budget proposals.
- . Began implementing the Budget and Impoundment Control Act of 1974.
- .. Prepared and submitted to Congress 11 rescission proposals amounting to \$770,803,000, of which 3 proposals amounting to \$79,467,000 were approved by the Congress.
- .. Prepared and submitted to Con-

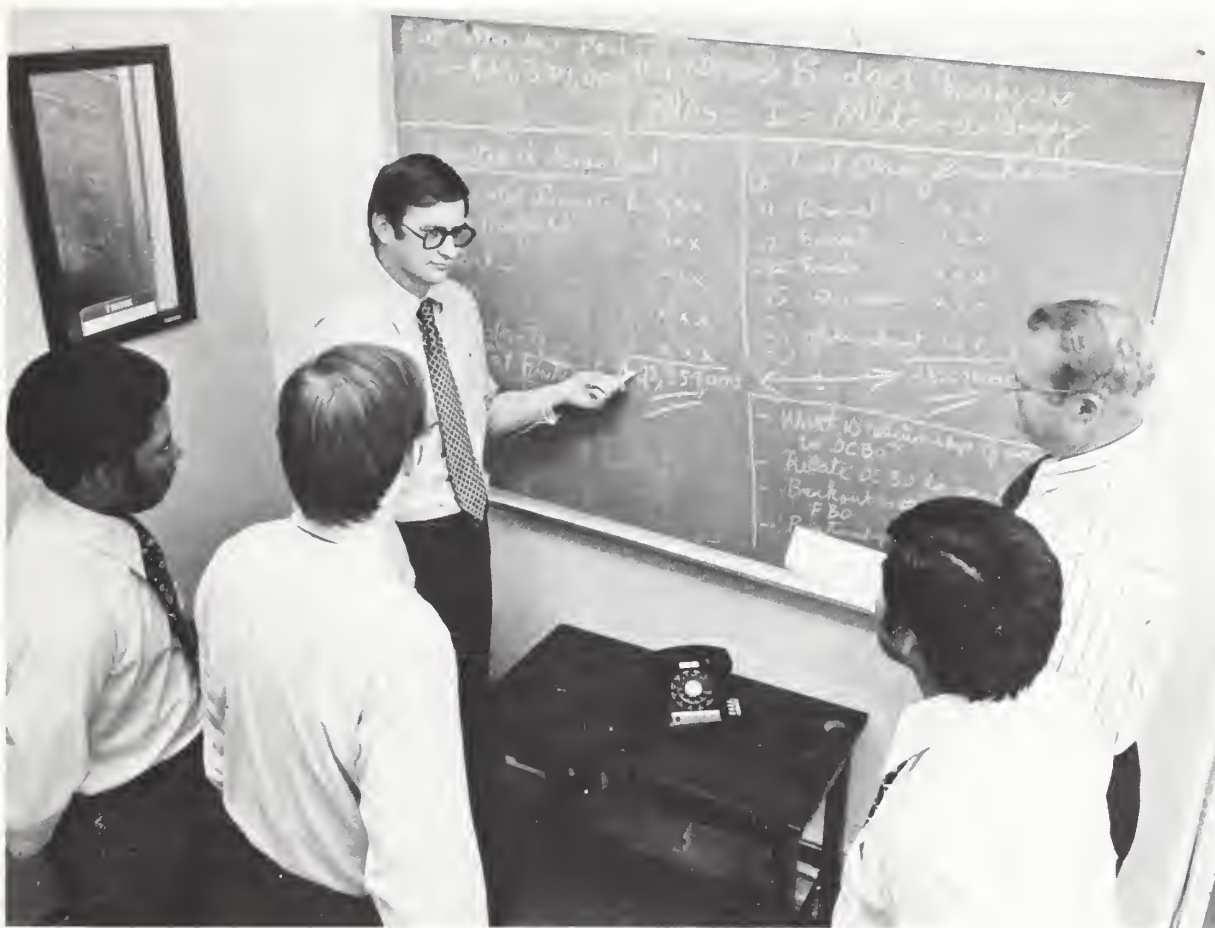
gress 22 deferral proposals
amounting to \$861,922,568, of
which 10 proposals amounting to
\$473,204,000 were approved by
the Congress.

- .. Re-formatted the 1976 budget
based on the Department's legal
authorities for the Senate
Agriculture Committee and
testified before that Committee
on the 1976 budget.
- .. Supplied budgetary information
on the 1976 budget to the sub-
stantive committees, House and
Senate Budget Committees and
Congressional Budget Office,
in addition to the appropria-
tions committees.

. Centralized Personnel and Payroll System

USDA's personnel and payroll
system (MODE) was developed in
1962 by the Management Data
Service Center (MDSC) in New
Orleans. USDA was the first large
Government agency to combine pay-
roll, leave records, personnel
statistics and reporting into one
integrated system. Through the
years, the MODE system has proven
to be the most reliable and effec-
tive system of its kind. Signifi-
cant statistics about this system
are:

- .. Timely biweekly payment to
approximately 110,000 em-
ployees located in 15,000



*The Operations Review and Analysis staff conducts agency
budget reviews and presents the results to policy officials.*

field locations, scattered throughout the United States, territories, and foreign countries.

- .. Initiated optical scanning of time and attendance reports eliminating \$500,000 in outside keypunch costs, reducing the data preparation in half, and increasing the percentage of people paid on time from 95 percent in FY 1974 to 97 percent in FY 1975.
- .. Using 459 computer programs, running on three different computer systems, MODE processes 3.8 million input documents a year and is capable of generating 385 different output reports.
- .. Recently initiated a system for withholding city income

taxes from employees' earnings -- the first Federal agency to provide this service.

- .. Supports 289 agency headquarters and field personnel offices.

. Central Voucher Payment System

The central voucher payment system was established in 1972 as a result of an interagency task force which analyzed the feasibility and cost effectiveness of centralizing all administrative voucher payments. The projected cost savings were substantial: the average cost of voucher processing was projected to drop from \$5.28 to \$2.65; the large volume of voucher processing allowed NFC to introduce several operational efficiencies which reduced the time to process



National Finance Center handling about 15,000 inquiries each month, has reduced its printing costs and increased its responsiveness through the use of microfiche files.

vouchers: travel voucher processing dropped from 4.3 days to 2.6 days, travel advances from 2.1 to 1.4 days, and utility payments from 4 to 1.8 days. To date, NFC has centralized payment of the following vouchers:

Travel vouchers	GSA Motor
Government bills of lading	Pool
GSA FEDSTRIP payments	Some billings and collections
Utilities	(APHIS and AMS Grain Division)
Travel advances	
Government transportation requests	

By FY 1976, the remaining vouchers will be paid centrally:

Commercial telephone invoices	FTS
Gasoline credit card invoices	Blanket purchase agreements
Purchase order invoices	Imprest fund
Fire time reports	Grants and collective agreements
Uniform allowances	Other billings and collections

. Uniform Accounting System

Secretary's Memorandum No. 1776 authorized establishing a central administrative accounting system for the Department by the National Finance Center in New Orleans. The system which will replace 16 separate systems and reduce the annual expenditures for this type of service from \$5.5 million down to \$4 million features:

- .. Obligation and cost reporting. However, NFC intends to eventually convert all agencies to accrual accounting.
- .. Reports which include both

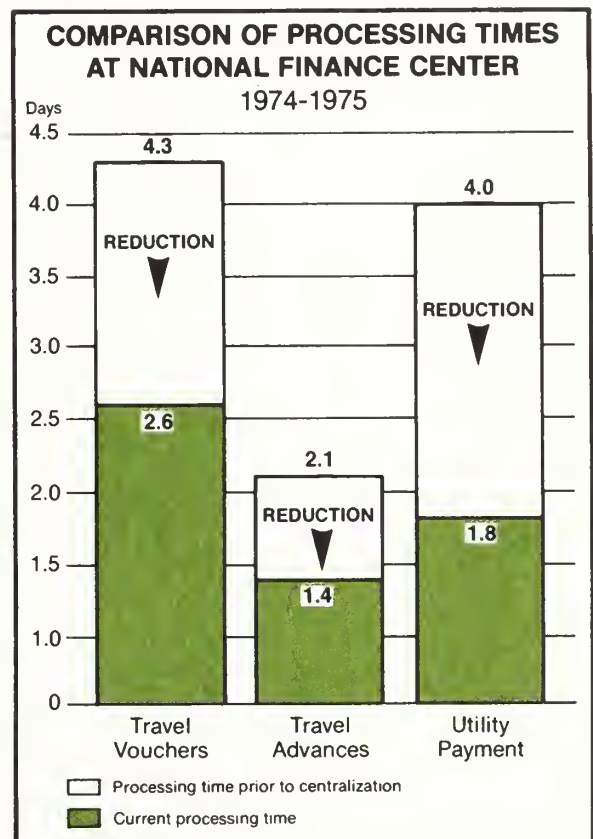
planned and actual accomplishment data.

- .. Financial reports which automatically balance with the control totals in the general ledger.

- .. Sophisticated data editing features which minimize data entry errors.

The uniform accounting system is being developed in three phases:

- .. A skeletal system containing the key programs necessary to implement the basic system architecture has been developed.
- .. This system will be expanded to include the Working Capital Funds and property reports by October 1, 1976.



- .. The system will be fully implemented and operational by October 1, 1977.

Major Problems in FY 1975

- . Transferring the accounting system for the Office of the Secretary, staff offices, and small agencies from Washington to New Orleans caused:
 - .. Delay in about 7,000 voucher payments due to systems problems resulting in severe criticism from vendors and agencies.
 - .. Delay and inaccurate accounting statements, requiring extensive review.
- . Followup with agencies on accomplishment of agency objectives.
 - .. Most agencies failed to develop a comprehensive list of agency objectives for FY 1975.
 - .. Number of agency operations reviews performed substantially below estimates.
 - .. 1976 budget not approved until December 31, further complicating development of agency plans.

Major Plans for FY 1976

- . Develop and implement a tracking system for key programs and objectives which will identify, review, revise, report and adjust on an on-going basis key issues warranting Secretarial attention.
- . Coordinate plans for, and results of, all operations reviews, audits, program evaluation and management reviews into policy/budget decision-making process.
- . Develop and implement revised budget processes consistent with the Congressional Budget and Impoundment Control Act of 1974.
- . Continue implementation of Departmentwide centralized accounting system to be completed by October 1977. Complete design for skeleton system and test, complete accounting requirements for full system.
- . Complete implementation of voucher payments and billings and collections system including imprest fund, uniform allowances, major purchases, blanket purchase arrangements, contract payments and others.
- . Improve the timeliness of legislative report submissions and proposals to OMB and Congress.

Office of Audit

An OA field audit of the school lunch program.



Office of Audit

Major Functions

All management systems require a "feedback" loop to provide information on program performance. Audit provides a planned system of performance appraisal which identifies the cause of problems and recommends appropriate corrective measures. It coordinates closely with the policy, planning and budget staffs in selecting the critical issues for review and in timing its output to be of maximum benefit to the Secretariat and top line officials. An audit may be directed in total or in part to financial and compliance activities, economy and efficiency, and program results.

Major Accomplishments in FY 1975

- . Released over 2,900 audit reports to responsible USDA officials containing approximately 16,000 findings and about 5,000 recommendations involving potential monetary benefits of over \$50 million. Especially significant were audits of:
 - .. P.L. 480 Ocean Freight Differentials: Identified unnecessary expenditures of up to \$6 million over three-year period.
 - .. Tobacco Auction Warehouses: Estimated savings of up to \$1.3 million annually.
 - .. Emergency Livestock Feed Program: Questionable costs in one State alone of about \$350,000.
 - .. ASCS Claims: Timely unloading

reports of ocean carriers not provided by AID. Losses estimated in millions.

- .. Emergency Loan Approvals: Misstated data in loan applications as high as 50% in some States.
- .. Food Stamp Program: Identified program loss for one month exceeding \$700,000 in one city. Claim filed by agency.
- .. Child Nutrition Program: Estimated \$100 million in free lunches served without proper eligibility determinations.
- . Developed in concert with the Office of Management and Finance a systematic/coordinated approach to operations review and analysis, audit and program evaluation studies. Eliminated costly duplication, confusion and assured an efficient and cohesive approach to management studies.
- . Convinced FNS and OGC to pursue claims against states based on statistical projections of audit results. Sizable recoveries expected, if upheld by court decision.
- . Added audit capabilities in three new areas -- Budget Auditing, Economic Analysis and Results Auditing. More stress on "product" rather than "process" making for better data for budgeting and planning.
- . Increased use of computers to perform audits on the vast data banks maintained in support of

principal departmental programs in FNS, FmHA, ASCS and NFC.

- . Designed an automated management information and budget system to provide complete and quicker data for planning and controlling, and summarizing audit data with trends for Departmental agencies and offices.
- . Increased cooperation from State and local audit staffs by 16 percent; increased the use of the OA guide by 70 percent. Effort increases the audit reassurance in multi-billion dollar Federal assistance programs and to a more limited degree, reduces duplication and overlapping of Federal/State audit effort.

Major Problems in FY 1975

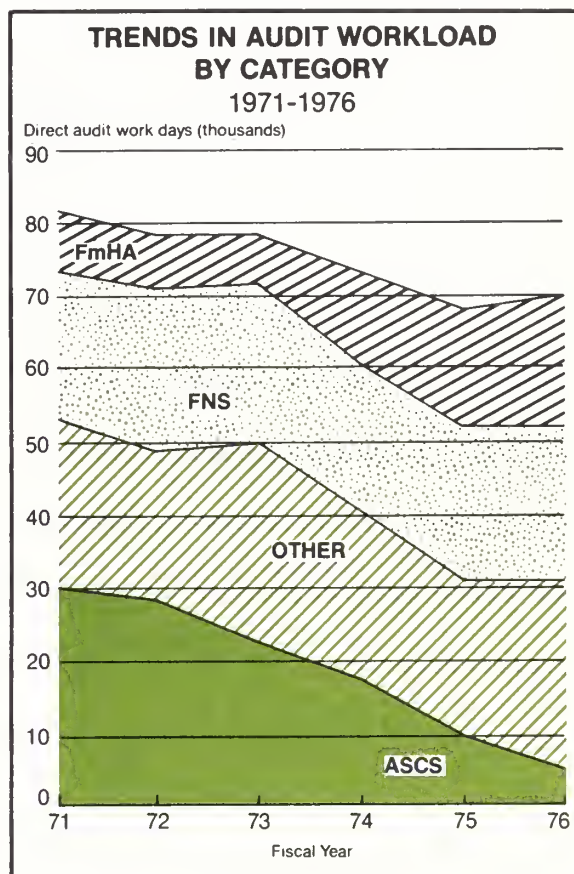
- . Developing impact of the Freedom of Information and Invasion of Privacy Acts. Increasing demands are being successfully made for papers and reports traditionally considered internal documents.

Major Plans for FY 1976

- . Provide Departmental management with constructive recommendations from the performance of 2,700 audits, using not more than 70,000 mandays. Recommendations made will be effectively monitored to assure implementation or correction of the condition reported.
- . Complete revision of the system for audit reporting to effect needed improvements and to facilitate implementation of the Freedom of Information Act with-

out violating the Right of Privacy Act.

- . Implement automated management information system; determine its impact on existing manual systems and eliminate duplication; review those systems not automated and incorporate where deemed advisable.
- . Identify all planned and existing USDA-ADP systems; provide for necessary audit input for inclusion of adequate internal controls and auditability; use as basis for future ADP systems audits.
- . Develop a centralized system for quick retrieval of information from "review type" reports relating to activities of USDA (e.g., audits, operations reviews, program evaluations, GAO consultants).



- . Institutionalize the use of "results auditing" as a means of maximizing the Department's return on resources expended.
- . Continue to stress increased use of statistical sampling, data bases, and other advanced techniques.
- . Develop and test use of modified techniques to redirect audit efforts away from cycle reviews at small and medium size food stamp projects.



OA encourages employee participation in professional societies. Here Mr. Leonard Greess, Director of the Office, presents an award to Mr. Donald Nelson, recognizing his contribution to the IIA, a professional audit society.

Office of Operations

USDA Agricultural Service Centers provide better, more efficient service to their clients at reduced costs.



Office of Operations

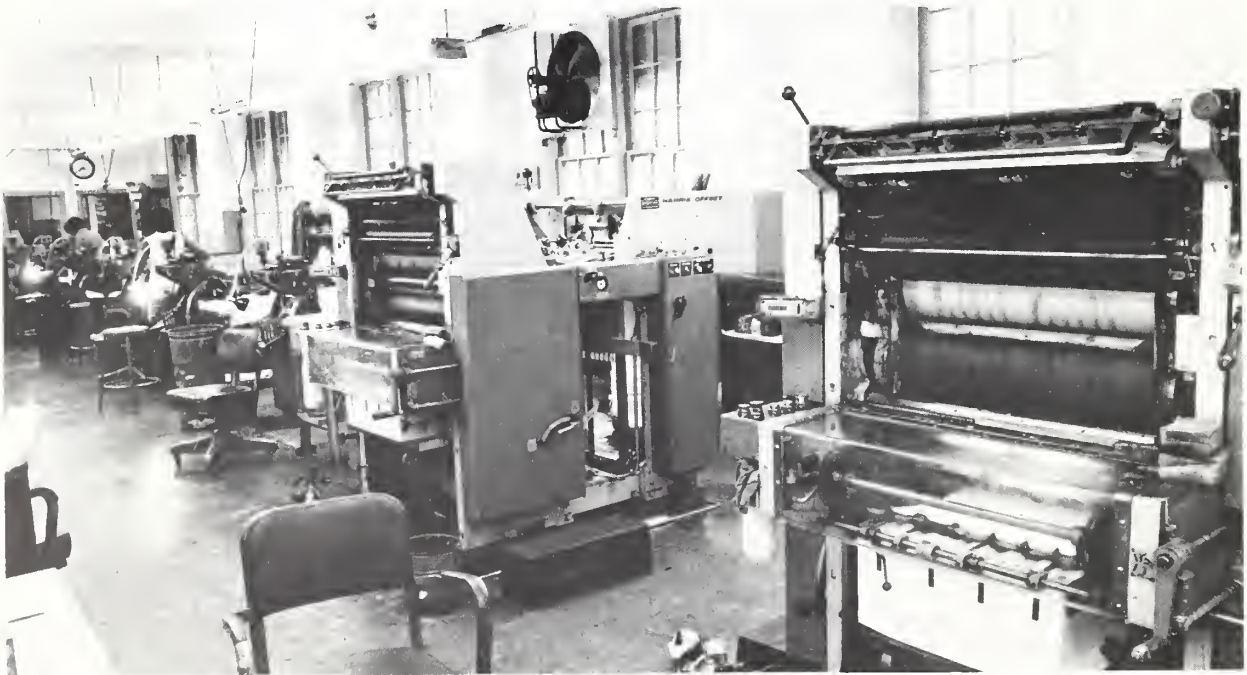
Major Functions

The Office of Operations provides Departmental leadership, control and support in procurement, facilities and property management, transportation, energy use, grants and agreements and related matters. The office evaluates proposed agency actions and budgets in these areas and coordinates findings and recommendations with the Office of Management and Finance.

In addition, the office provides over one hundred centralized services for USDA agencies and the Departmental staff offices. Services include space, procurement, supply, property management, mail, printing, automated mailing lists, correspondence referral and others.

Major Accomplishments in FY 1975

- Developed standards and established criteria which led to getting 538 Agricultural Service Centers designated and the first 40 centers fully operational.
- Reduced the backlog of "out-of-stock" supply items from 543 to 73, while reducing the order processing time from 25 days to 1.5 days; and reduced manpower from 29 to 27 people.
- Improved the Secretary's Correspondence Referral system which handles 90,000 letters sent to the Department each year; mail answered on time increased from 34 percent in July 1974 to 66 percent in July 1975.

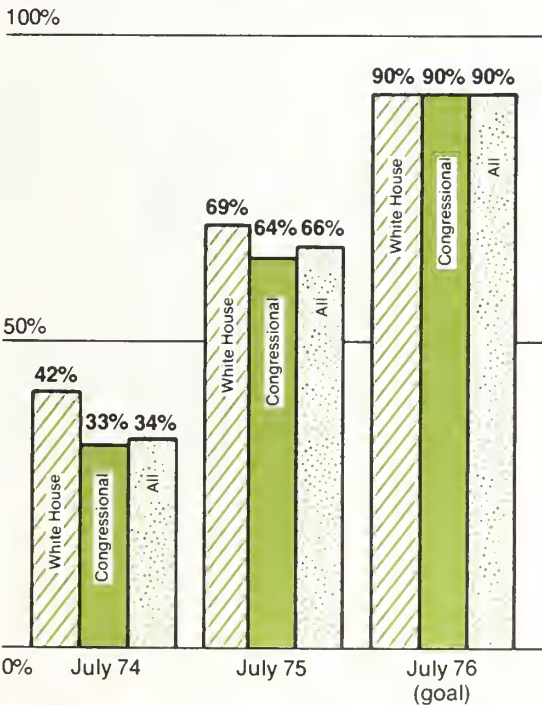


The new computerized scheduling system for the printing plant will increase productivity and provide more dependable service to the agencies.

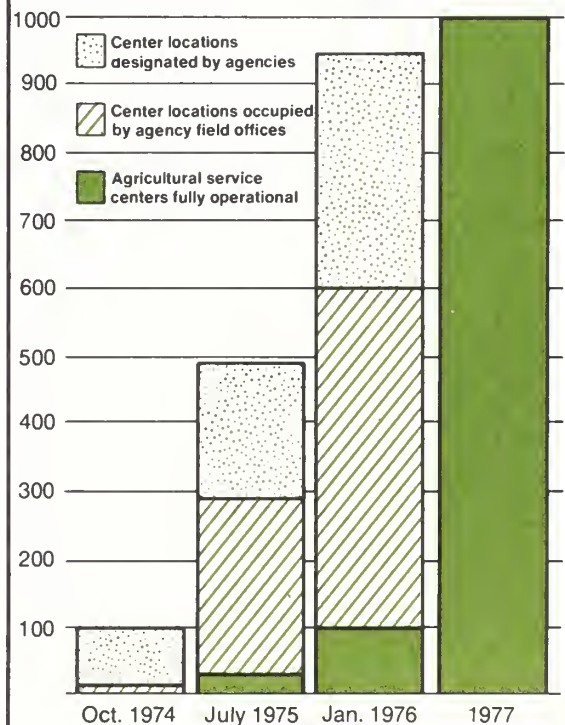


An Improved Inventory Control System has reduced the average number of items out of stock from 543 to 73 in FY 75.

COMPARISON OF THE PERCENT OF ALL MAIL ANSWERED ON TIME AFTER INITIATION OF THE CONTROLLED CORRESPONDENCE SYSTEM



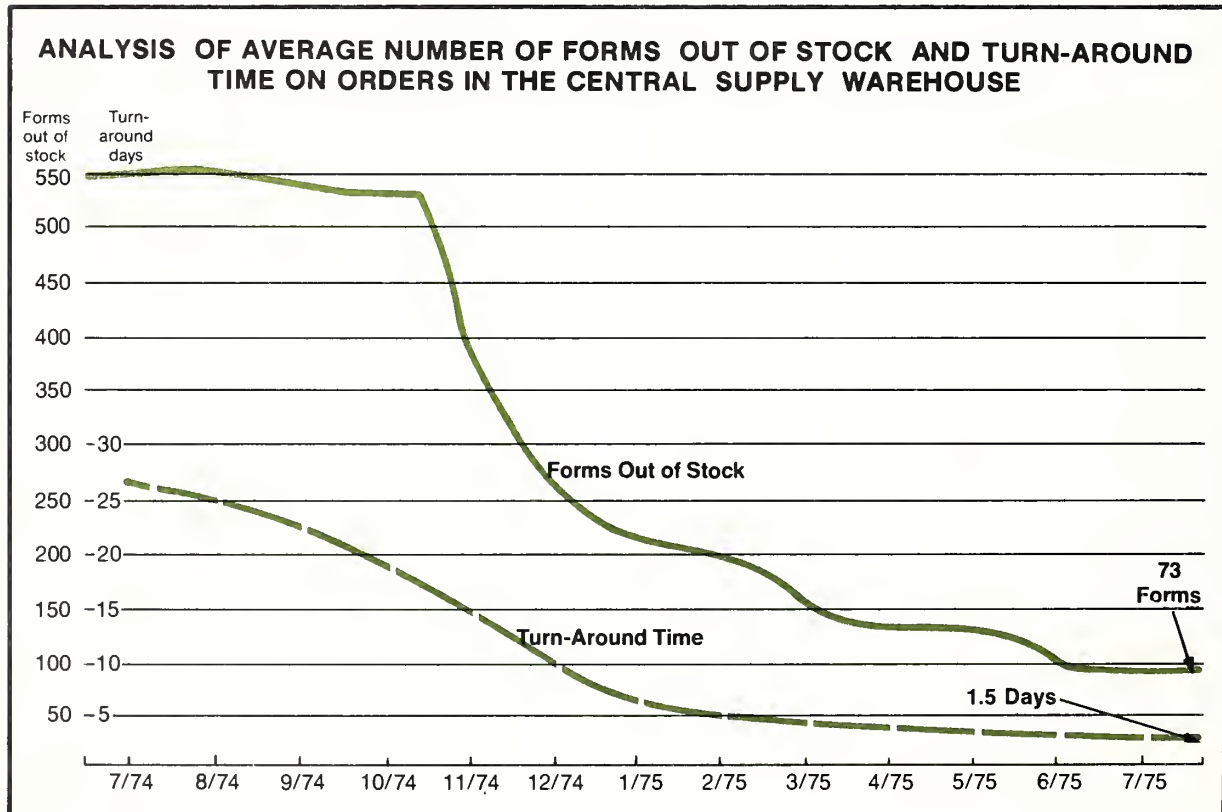
GROWTH IN THE NUMBER OF AGRICULTURAL SERVICE CENTERS



- . Reduced USDA headquarters mail delivery time from 8 to 4 hours while reducing manpower requirements by 13 percent (7 positions).
- . Turned around a long-standing "adversary" relationship with the General Services Administration. These efforts began to show results through improved services in Washington and in the field.
- . Negotiated 28 blanket purchase agreements enabling agency offices to obtain quantity discounts resulting in about \$175,000 annual savings.
- . Published and distributed nationally a USDA Calculator Selection and Management Guide to ease the job of selecting the right machine to fill a specific need; revised a similar guide on office copiers.
- . Published a new edition of Selling to the USDA, a guide for businesses wanting to sell to the Department.
- . Developed a computerized scheduling system for the Departmental printing plant (press line) which is expected to increase productivity and provide more dependable service for client agencies.
- . Made preliminary studies and analyses supporting the consolidation of agencies in Washington into contiguous space beginning in FY 1976.

Major Problems in FY 1975

- . A general Office of the Secretary reorganization (adding responsibilities to OO) concurrent with addition of Service Center responsi-



bilities, put a strain on on-going operations and required reorganization within the office. Reorganization was completed and service improved, but a number of isolated problem areas remain for FY 1976.

- . Systems for reporting energy consumption were nearly non-existent, making it difficult to report energy use accurately to GSA under the Governmentwide energy conservation program. Arrangements were made to obtain most of the needed current infor-

mation from the USDA National Finance Center and from GSA. However, FY 1973 (base year) information remains difficult to verify.

Major Plans for FY 1976

- . Expand the Agricultural Service Center program to provide maximum one-stop service to our rural clients with about 100 centers operational by mid-year.
- . Accomplish the first major step



Secretary Butz and John Keaney, Director of the Office of Operations, at the recent Administrative Management Conference.

in consolidating agency headquarters units, by moving a key agency out of the South Building, making space available for other agencies' relocation.

- . Develop and install information systems covering USDA space and facilities utilization, procurement, and motor vehicles.
- . Establish a coordinating mechanism at the Department level to assure USDA compliance with external grant administration requirements.
- . Improve internal management systems to better control activities under 13 different work plans, operating plans and reimbursable accounts.
- . Improve the Secretary's Correspondence Control System so that 80 percent of all mail will be answered on time.
- . Conduct a feasibility study of centralizing USDA administrative service operations related to space and facilities.

Office of Personnel

Mr. Sylvester Pranger, Director of the Office of Personnel, conferring with Secretary Butz and Assistant Secretary Wright



Office of Personnel

Major Functions

The Office of Personnel plays a key role in managing the Department's manpower resources by assuring that the Department's current and future manpower needs are met and the workforce is effective in carrying out its programs and missions.

Major Accomplishments in FY 1975

- . Provided a managerial and executive development system for 1,180 key positions to assure the continuation of a competent, effective and efficient workforce.
- . Developed an "on-line" personnel data base system containing 110 data elements on 132,700 employees (including 20,000 summer hires) which has eliminated the need for manual processing of vital program information and significantly reduced the time and cost necessary to obtain needed data on Departmental personnel.
- . Administered, with the assistance of agencies, a successful, upward mobility program which provided job training and educational opportunity for 427 employees in the Washington, D. C. area.
- . Achieved a 14 percent reduction in the processing time of formal EEO complaints from 250 days to



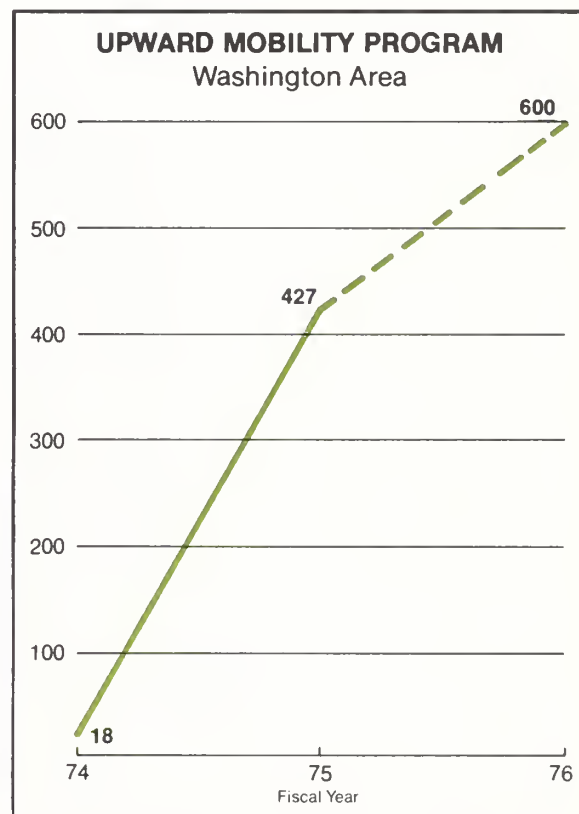
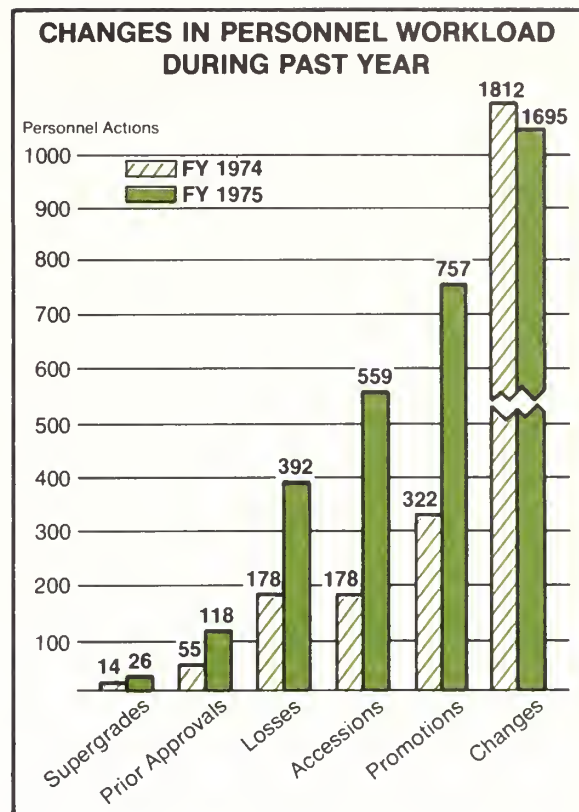
The Office of Personnel is responsible for managerial and executive development and departmental training programs.

215, despite a 9 percent increase in the number of cases filed (93 to 102 cases).

- Developed a new Departmentwide Merit Promotion Program and Employee Appraisal System to be tested and subsequently implemented in FY 1976.
- Initiated a program to reduce reversible errors by 15 percent in processing of adverse actions.
- Increased USDA participation in the Intergovernmental Personnel Act Program by 23 percent, entering into 110 new agreements and extending 16 others.

Major Problems in FY 1975

- Upswing of the OI investigations disclosing malfeasance in the administration of the Department's programs and services.
- The Department continues to be in substantial noncompliance with requirements of the Occupational Safety and Health Act (OSHA) in at least four major areas:
 - (a) Safety Management Organization and Program Planning;
 - (b) Safety Inspections of Departmental Facilities;
 - (c) Safety and Health Training for all employees and
 - (d) program evaluations of agencies' programs.



THE NEED FOR AN EXECUTIVE DEVELOPMENT PROGRAM "Supergrade" Managers Departmentwide

- 83% Are at Least 45 Years Old
- 48% Are in Their 50's
- 32% Are at Least 55 Years Old
- 50% Can Retire in Next 5 Years

The GS-15 Managers Departmentwide

- 46% Can Retire in Next 5 Years

The GS-14 Managers Departmentwide

- 33% Can Retire in Next 5 Years

- . Personnel servicing demands by the Staff Offices and the Office of the Secretary, placing a larger burden on limited staff resources in the Personnel Operations Division, Office of Personnel.

Major Plans for FY 1976

- . Provide guidelines for agency orientation and training in employee conduct and ethics to entire employee population (132,000) to materially improve public trust, credibility and reduce cases of malfeasance.
- . Target 6 percent and 10 percent of new FY 1976 hires in professional occupations for minority and women candidates, respectively.
- . Implement comprehensive orientation program for incoming policy executives (GS-14 and above) to reduce time spent in developing an understanding of USDA.
- . Achieve compliance with OSHA requirement in four major areas by the end of FY 1976.
- . Improve the level of quality of personnel services provided staff offices and the Office of the Secretary through better management practices and the deployment of increased personnel to the Personnel Operations Division to ease the burden of an ever increasing workload.



The Office of Personnel's automated system significantly reduced the time and cost to obtain data on USDA employees.

Office of Equal Opportunity

*Office of Equal Opportunity conducting a field review of a
USDA Program*



Office of Equal Opportunity

Major Functions

OEO strives to assure opportunities for all people with regard to job selection, promotion, contract awards and program participation. To do this, OEO provides:

- . Leadership and coordination of the Department's program of equal opportunity, contract compliance and minority business assistance.
- . Field level reviews of USDA programs subject to Title VI of the Civil Rights Act of 1964.
- . Field level reviews of Federal contractors subject to Executive Order 11246 (1965).
- . Resolution of discrimination complaints in USDA programs and activities.
- . Action to enforce the law when voluntary compliance cannot be obtained.
- . Evaluations of minority participation in USDA programs to measure equitable treatment.
- . Assistance to rural minority business entrepreneurs.
- . Coordination of USDA assistance to American Indians.

Major Accomplishments in FY 1975

- . Completed 501 reviews of Federal contractor facilities resulting in a projected 12,756 new jobs and promotions for minorities and women, an increase of 14 percent

over projections for the previous year.

- . Issued 112 "show cause" notices to Federal contractors compared with 25 notices in the previous year. All 112 notices resulted in the contractors voluntarily coming into compliance through successful conciliation rather than face debarment from future Federal contracts.
- . Completed 192 field level reviews of USDA programs which enables "on the spot" corrections of non-compliance. This includes, for example, the rearrangement of a county extension office plan which was forcing segregated and discriminatory treatment upon minority rural residents and convening meetings between community minority representatives and USDA field level office personnel to establish contact and initiate outreach efforts.
- . Completed 29 evaluation reports of minority participation in USDA programs which enable program managers to identify and correct conditions restricting equitable distribution of benefits. We found, for example, proportionately twice as many eligible whites as eligible Indians are SCS cooperators; of 4,098 ASCS county committeemen in the South, only two are Negro.

- . Processed and monitored the status of 300 program discrimination complaints compared with 204 the previous year.
- . Established a Rural Minority

Business Assistance Division to coordinate USDA minority contracting, minority bank deposit program and assistance to minority entrepreneurs in rural areas. Awards to minority contractors (\$3.0 million) represented 15 percent increase over previous year.

- . Established and chaired a Departmental Task Force on Indian Affairs and conceived an Indian Desk to increase communication with and coordinate services to American Indians. A comprehensive but yet quick reference handbook of USDA programs available to American Indians was prepared and distributed. The

Indian Desk was instrumental in effecting a \$4 million FmHA land acquisition loan for the Yakima Tribe and in establishing a combination food stamp/commodity distribution program on the Papago reservation.

Major Problems in FY 1975

- . Failure to implement enforcement action against seven state extension services determined to be in noncompliance in December 1974. A Departmental Task Force has recently developed a proposed systematic data base methodology for measuring service to minority beneficiaries and of determining



The Office of Equal Opportunity completed 192 field level reviews of USDA Programs subject to Title VI of the Civil Rights Act of 1964.

compliance with equal employment opportunity requirements.

Major Plans for FY 1976

- . Provide needed leadership to assure increase in Departmental awards to minority businesses by 32 percent (from \$3.0 million to \$4.1 million).
- . Provide compliance assistance guidance to 3,300 Federal contractors. This will be accomplished by developing a management system for analyzing historical reporting data, identifying patterns and trends of non-compliance, providing such information to contractors to assure corrective actions are followed up to assure the taking of needed action.
- . A new program involving 12 field reviews of USDA programs to determine the impact these programs have on improving conditions for minority farmworkers.
- . Implement a Departmentwide civil rights impact analysis system.
- . Continue emphasis on improving USDA assistance to American Indians through Indian surveys and Indian Desk activities.
- . Maintain on-going activities.
 - .. Increase contractor reviews to 600.
 - .. Increase program reviews to 225 single and 32 multi-agency reviews (total of 385 programs).
 - .. Complete 30 evaluation reports of minority program participation.
 - .. Work through Extension Service Task Force to bring non-complying States into compliance.
 - .. Complete memorandum of agreement with HUD and implement equal housing opportunity program in USDA.

Office of Administrative Law Judges



Office of Administrative Law Judges

Major Functions

The Administrative Law Judges have the responsibility to hold hearings and make initial decisions regarding certain adjudications and rate proceedings, authority for which has been delegated by law to the Secretary of Agriculture.

Major Accomplishments in FY 1975

- Increased productivity in number of cases handled by consolidating cases and putting increased emphasis on hearings.
- Drafted set of Uniform Rules of Practice to apply to all cases under the Administrative Law Judges' jurisdiction.

Major Problems in FY 1975

- Backlog of cases increased due to office staffing being 20 percent below normal strength.

Major Plans for FY 1976

- Reduce the backlog of pending cases as much as current workload permits.
- Implement Uniform Rules of Practice once final approval is obtained.
- Implement the Case Management Control System, started in FY 1975, to more efficiently and effectively handle the office's case load.



Administrative Law Judges increased their productivity by placing greater emphasis on hearings and consolidating similar cases.

